half-yearly calculations hitherto followed, according to the revised orders of the Government of India. A sum of Bh Rs 15,052 has also been refunded by the Railway Company as a result of the acceptance by the Government of India of our contention that the loss in the working of the Travancore Railway should be apportioned between the Government of India and this Government in proportion to the capital outlay incurred on British and Indian State Sections of the Tinnevelly-Quilon line alone.

In this connection I am glad to inform the House that though the Government of India considered in 1932 that our contention that the advances made by the Secretary of State for India for discharge of Debentures should be charged interest at $3\frac{1}{2}$ per cent only was unjustified, they have, as a result of our representation, now agreed to charge interest on such advances at $3\frac{1}{2}$ per cent only. The saving involved is about Rupees half a lakh.

COMMERCIAL UNDERTAKINGS.

35. *Pallivasal Hydro Electric Project.*—Last year the House was informed that the original Power House for the project was found to be not quite satisfactory and that therefore a new Power House at a new site had to be constructed. The new Transformer Yard at Pallivasal has been fixed and the erection in the Yard is in progress. The new Power House building is under construction and I am glad to report that solid rock foundations have been obtained therefor. It is hoped that the installation of the machinery could be done by about the 3rd quarter of the next year. It is anticipated that the scheme will be in commercial service for about 3 months next year and an approximate revenue of Rs 1 lakh has been provided in the next year's budget under this scheme. The total expenditure as at the end of the current year is expected to be Rs 106·24 lakhs and the next year's provision is Rs 31·30 lakhs. Judging by the experience of similar works elsewhere such as Pykara and Mysore, the Scheme should be able to pay a substantial return on the outlay from the second year of its operation.

As power from the Power House at Pallivasal is not yet available, a small Power House has been built as a temporary measure at Kalamassery with second hand generating sets purchased from Coimbatore for meeting the demand for the supply of power to the Sri Chitra Mills, Alwaye. This had to be done in order to secure the market for electric supply and to avoid

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the installation of thermal stations by possible consumers. The Municipal Town of Alwaye has also been brought under electric supply very recently.

In accordance with the present anticipations and forecast of revenue and expenditure, the scheme is expected to meet interest, depreciation and sinking fund charges and operation expenses within three years from the commencement of the supply.

36. *Trivandrum Electric Supply.*—The total cost of this scheme is expected to be Rs 10·73 lakhs at the close of the current year and Rs 11·46 lakhs at the close of the next year. The present generation is 1·3 million units as against 1·17 million units last year. The number of consumers is also steadily increasing. The gross receipts for the current year are estimated at Rs 2·51 lakhs and for the next year at Rs 2·55 lakhs. Substantial reductions in the tariffs have also been made this year.

37. *Quilon Electric Supply.*—The capital outlay on this undertaking is expected to stand at Rs 2·84 lakhs at the close of this year and at Rs 3·21 lakhs at the close of the next year. The gross revenue for the current year is estimated to be Rs ·91 of a lakh while for the next year, the receipts are anticipated to be Rs 1·37 lakhs. The depreciation and reserve funds opened for the Electric and Telephone Schemes are expected to amount to Rs 5·39 lakhs and Rs 2·03 lakhs respectively.

38. *The Trunk Telephone Scheme.*—Since we met here this time last year, negotiations between the Government of India and this Government for the execution of a Trunk Telephone Scheme have been completed. An experienced officer, who was until recently in the Indian Posts and Telegraphs Department, has been appointed as Telephone Engineer to design and construct the All-Travancore Trunk Telephone Scheme. An estimate of Rs 8 lakhs has been sanctioned for the work. But only about a fifth of the sanctioned estimate is expected to be spent this year as most of the materials required for the construction of the scheme will be arriving only at the beginning of next year. The scheme contemplates the linking of all the important towns in the State in addition to a net work specially to be constructed for the Pallivasal Hydro-Electric Scheme to facilitate operation. The survey works have already been completed for the line between Trivandrum and Nagercoil and the construction has just been started. It is proposed to use Ascu treated timber for most of the trunk telephone lines. For the next year a provision of Rs 5·99 lakhs has been made in the budget for the continuance of the work.

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